

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	31,694	12,299	80,059	41,890
Operating expenses	(26,425)	(13,864)	(70,114)	(45,879)
Other income	762	8,263	2,699	9,738
Share of results of jointly controlled entities and associates	-	-	5	-
Finance costs	(139)	(138)	(523)	(554)
Profit /(Loss) before taxation	5,892	6,560	12,126	5,195
Taxation	(1,262)	(39)	(4,099)	(47)
Profit /(Loss) for the period	4,630	6,521	8,027	5,148
Comprehensive Income/(loss) :				
Translation of foreign operations	-	49	(36)	55
Total comprehensive Profit /(loss) for the period	4,630	6,570	7,991	5,203
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	4,630	6,522	8,069	5,143
Non controlling interests	-	(1)	(42)	5
	4,630	6,521	8,027	5,148
Total comprehensive profit /(loss) attributable to:				
Equity holders of the parent	4,630	6,571	8,033	5,198
Non controlling interests	-	(1)	(42)	5
	4,630	6,570	7,991	5,203
Earning per share				
- basic (sen)	5.06	7.12	8.81	5.62

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 30.09.2016 RM'000	Group As at 31.12.2015 Audited RM'000
ASSETS		
Property, plant and equipment	11,371	12,405
Interest in jointly controlled entities and associates	-	2
Other long term investment	50	50
Goodwill	4,161	4,161
Long Term Receivables	2,645	2,679
	18,227	19,297
Current assets		
Property Development Cost	46,224	53,937
Inventories	1,131	1,763
Trade and other receivables	41,441	50,480
Tax recoverable	884	3,164
Fixed deposits with licensed banks	11,052	20,671
Cash and Bank Balances	11,246	1,200
	111,978	131,215
TOTAL ASSETS	130,205	150,512
EQUITY AND LIABILITIES		
Share capital	45,930	45,930
Reserve	4,106	4,199
Retained profits	36,270	28,145
Total capital and reserves attributable to equity holders of the parent	86,306	78,274
Non-controlling interest	-	182
Total equity	86,306	78,456
Non-current liabilities		
Borrowings	3,390	4,575
Deferred tax liabilities	2,779	5,712
Long Term Payables	2,984	3,146
Total non-current liabilities	9,153	13,433
Current liabilities		
Trade and other payables	33,035	56,270
Borrowings	703	2,353
Current tax payable	1,008	-
Total current liabilities	34,746	58,623
Total liabilities	43,899	72,056
TOTAL EQUITY AND LIABILITIES	130,205	150,512
Net Assets Per Share (RM)	0.94	0.85

The Condensed Consolidate Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
 CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	3 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit / (Loss) before taxation	12,126	5,195
Adjustments for non-cash and non operating items	(133)	(8,256)
Net change in inventories and receivables	7,660	3,728
Net change in payables	(15,060)	6,032
Interest paid	(219)	(211)
Taxation paid	(1,820)	(81)
Net cash in/(out)flow for operating activities	2,554	6,407
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	145	25
Purchase of property, plant and equipment	(1,112)	(854)
Acquisition Of Investment Properties / Land for Development	(2,030)	(820)
Net cash inflow/ (outflow) from disposal of subsidiaries	982	37,329
Acquisition of investment in subsidiary company	-	(44,264)
(Increase)/Decrease in fixed deposits pledged to bank	1,879	(1,045)
Interest received	444	435
Net cash outflow for investing activities	308	(9,194)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	804
Drawdown of borrowings	1,477	1,862
Repayment of borrowings	(550)	(812)
Net cash in/(out)flow for financing activities	927	1,854
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,789	(933)
Opening cash and cash equivalents	17,371	18,178
Effect of exchange rate changes	(36)	55
Closing cash and cash equivalents	21,123	17,300

The above Condensed Consolidated Cash flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Other Reserve / Deficit RM'000	Share Option Reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non-controlling interest RM'000	Total RM'000
Balance as at 31.12.2014 / 01.01.2015	45,126	3,230	808	189	22,759	72,112	232	72,344
Profit/(Loss) after taxation for the financial year	-	-	-	-	5,292	5,292	(39)	5,253
Other comprehensive income for the financial year, net of tax:								
- Foreign currency translation	-	-	72	-	-	72	-	72
Total comprehensive income for the financial year	-	-	72	-	5,292	5,364	(39)	5,325
Contribution by and distribution to owners of the Company:								
Exercise of Employee's Share Options ("ESOS")	804	88	-	(88)	-	804	-	804
Disposal of subsidiary	-	-	-	-	(7)	(7)	(11)	(18)
Share option lapsed	-	-	-	(101)	101	-	-	-
Total transactions with owners of the Company	804	88	-	(189)	94	797	(11)	786
Balance as at 31.12.2015	45,930	3,318	880	-	28,145	78,273	182	78,455
Profit/(Loss) after taxation for the financial year	-	-	-	-	8,125	8,125	(42)	8,084
Disposal of subsidiary	-	-	(56)	-	-	(56)	(140)	(196)
Other comprehensive income for the financial year, net of tax:								
Foreign currency translation	-	-	(36)	-	-	(36)	-	(36)
Total comprehensive income for the financial year	-	-	(92)	-	8,125	8,033	(182)	7,852
Balance as at 30.09.2016	45,930	3,318	788	-	36,270	86,306	-	86,307

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015.

- a) The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2015.
- b) During the current financial year, the Group has also early adopted MFRS 15 Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15, which is effective for annual periods beginning on or after 1 January 2018.
This early adoption did not have any material impact on the Group’s financial statements.
- c) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Disclosure Initiative	1 January 2016
Amendments to MFRS 107 : Disclosure Initiative	1 January 2017
Amendments to MFRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking ‘expected loss’ impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.

A2. Auditors’ Report

The auditors’ report of the preceding annual financial statements for the financial year ended 31 December 2015 was not subject to any audit qualification.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A3. Seasonal/Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual and extraordinary items for the financial year under review.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial years which have a material effect in the financial year under review.

A6. Debt or Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial year under review.

A7. Dividend Paid

There was no dividend paid during the current quarter.

A8. Segmental Reporting

Segmental information for the financial period ended 30 Sep 2016 :-

	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Geosynthetic Engineering	Construction and M&E	Lighting	Development	Others	Elimination	Consolidation
Sales							
External Sales	19,195	1,945	2,097	54,074	2,748	-	80,059
Inter-segment Sales	-	-	-	-	15	(15)	-
Total	19,195	1,945	2,097	54,074	2,763	(15)	80,059
Results	239	17	192	15,460	(3,259)		12,649
Finance Cost							(523)
Taxation							(4,099)
Profit/(Loss) for financial Period							<u>8,027</u>

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward from the preceding annual financial statements less accumulated depreciation and impairment losses.

A10. Material Subsequent Events

There were no material events subsequent to the current quarter ended 30 Sep 2016 up to the date of this announcement which is likely to substantially affect the results of the operations of the Group.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period ended 30 Sep 2016 other than as disclosed below:

- MB World Group Berhad has on 8th April 2016 executed a Share Sale Agreement to dispose off its entire equity interest comprised of 2,500,000 shares of RM1.00 each in Noblecorp Builders Sdn Bhd ("NCB") for a total cash consideration of RM1,200,000. Following the disposal, NCB ceased to be a subsidiary of MB World Group Berhad.
- MB World Group Berhad has on 30 Jun 2016 executed a Share Sale Agreement to dispose off its 90% equity interest comprised of 1,800,000 shares of RM1.00 each in Emas Kiara Electrical Sdn Bhd ("EKEL") for a total cash consideration of RM1,470,228 and settlement of shareholders' loan amounted to RM1,593,659. Following the disposal, EKEL ceased to be a subsidiary of MB World Group Berhad.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

- c) MB World Group Berhad has on 30 Jun 2016 executed a Share Sale Agreement to dispose off its entire equity interest comprised of 50,000 shares in Kiaratex Exports Pte Ltd ("KEX") for a total cash consideration of RM75,000. Following the disposal, KEX ceased to be a subsidiary of MB World Group Berhad.

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM9.337 million to licensed banks for banking facilities granted to certain subsidiary companies. Consequently, the Company is contingently liable for the amount of banking facilities utilized by these subsidiary companies totalling RM4.189 million as at 30 Sep 2016

A13. Capital Commitments

Capital expenditure in respect of purchase of property, plant and equipment:

	RM'000
Approved and contracted for	<u>531</u>

A14. Related Party Transaction

The Group's related party transaction in the current quarter and the 9 months ended 30 Sep 2016 are as follows:

	3 months ended	Year to date ended
	30.09.2016	30.09.2016
	RM '000	RM '000
Sales of property	<u>10,565</u>	<u>15,811</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B1. Review of Performance (Quarter 3, 2016 vs. Quarter 3, 2015)

For the current quarter under review, the Group posted an operating revenue of RM 31.69 million, an increase of RM19.4 million over the preceding year's corresponding quarter. The higher revenue registered was mainly contributed from the development division with an increase of RM25.28 million. Revenue contribution was lower for Geosynthetic and Lighting division as the group had completed the divestment of its Lighting Division and the Geosynthetic export arm in Singapore during the second quarter of 2016.

The Group's pre-tax profit for the current quarter stood at RM 5.89 million, an decrease of RM0.67 million as compared to the corresponding quarter of the preceding year mainly due to one off gain recognised from the disposal of subsidiaries in the preceeding year.

B2. Comparison with Preceding Quarter's Results (Quarter 3, 2016 vs. Quarter 2, 2016)

During the current quarter, the Group achieved an operating revenue of RM 31.69 million, an increase of 8% over the immediate preceding quarter, mainly due to increase in revenue from the Development segment amounting RM 4.64 million lowered by a drop in revenue from the Geosynthetic and Lighting division amounting to RM4.13 million and RM0.99 million respectively. The group's operating pre-tax profit was RM5.89 million, an increase of RM0.8 million over the immediate preceeding quarter. Contribution for the current quarter were derived from the Development segment as the take up rate for its Pinnacles project increased from 56% to 63% with a higher stage of completion as compared to the immediate preceeding quarter.

B3. Prospects

The property development segment is expected to contribute significantly to the Group's performance as its wholly-owned subsidiary, MB Max Sdn Bhd being the developer for Pinnacle Tower in Johor Bahru continues to contribute significantly to the Group's profitability. The Group continues to seek opportunities that would put the group on stronger footing in the property development industry. The Group's acquisition of Cocoa Valley Development Sdn Bhd, which has the development rights to develop approximately 461 acres over 7 years was approved as at the Extraordinary General Meeting on 7 September, 2016 and will allow the Group to expand its property development activities.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Year Ended	Year Ended
	30.09.2016	30.09.2015
	RM '000	RM '000
Current Year Tax		
- in Malaysia	<u>4,099</u>	<u>47</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B6. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at 25th November 2016, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

1. On 15 April 2016 the Company had entered into a conditional share sale agreement (SSA) with Kim Feng Capital Sdn Bhd for the proposed acquisition of the entire equity interest in Cocoa Valley Development Sdn Bhd (CV Development) for a purchase consideration of RM 76 million to be satisfy via the issuance of 65,517,241 new shares of the Company at an issue price of RM1.16 per Share. (Proposed Acquisition) In conjunction with the Proposed Acquisition, the Company intends to undertake the following:

(i) increase its authorised share capital from RM50 million comprising 100 million ordinary shares of RM0.50 each in the Company to RM500 million comprising one (1) billion of the Company Shares; and

(ii) amendment of its Memorandum of Association to facilitate the Proposed Increase in Authorised Share Capital all subject to the approval of shareholders at an Extraordinary General Meeting

On 7th September 2016, all the proposals were approved by shareholders at an Extraordinary General Meeting of the Company.

As at the 25th November 2016, the proposed acquisition is still yet to be concluded pending fulfilment of the conditions precedent under the Development Rights Agreement and Share Sale Agreement.

B7. Borrowings

The Group's borrowings as at 30 Sep 2016 were as follows:

	As at 30.09.2016 RM'000
Secured	
Short Term - Hire purchase	134
Short Term - Term Loan	307
	<u>441</u>
Long Term Loan	2,917
Long Term - Hire Purchase	473
	<u>3,390</u>
Total	<u><u>3,831</u></u>

B8. Material Litigation

Save as disclosed below, there were no material litigation up to 25th November 2016, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

On 17th November 2016, the Company had announced that its wholly-owned subsidiary, Emas Kiara Marketing Sdn Bhd ("EKM") has served 2 Payment Claims under Section 5 of the Construction Industries Payment & Adjudication Act 2012 ("CIPAA") against MEB Construction Sdn Bhd ("MEB") for a total amount of RM4,317,563.23 ("CIIPAA Payment Claim").

Both CIPAA Payment Claim have been referred to Adjudication pursuant to 2 Notices of Adjudication both dated 16 November 2016.

As at 25 November 2016, being the latest practicable date, there have been no further developments.

B9. Dividend

The Board does not recommend any dividend for the financial quarter under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B10. Earnings Per Share

Basic profit/(loss) per share of the Group is calculated by dividing the net profit/(loss) for the financial period by the weighted average number of shares in issue during the period.

	<u>3 months ended</u>		<u>Year to date ended</u>	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Profit/(loss) attributable to equity holders of the parent (RM'000)	4,630	6,522	8,069	5,143
Weighted average number of shares in issue ('000)	91,590	91,590	91,590	91,590
Basic earnings/(loss) per ordinary share (sen)	5.06	7.12	8.81	5.62

* The Company does not have convertible securities at the end of the reporting periods and therefore, there is no diluted earning per ordinary share in the Company.

B 11. Retained Profit

The breakdown of retained profit of the Group as at reporting date, into realised and unrealised is as follows:

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits/(accumulated losses)		
- Realised	14,547	1,352
- Unrealised	-	(180)
	<u>14,547</u>	<u>1,172</u>
Less : Consolidation adjustments	<u>21,723</u>	<u>26,973</u>
Total retained profits as per consolidated accounts	<u>36,270</u>	<u>28,145</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B 12. Profit for the year

	3 month ended 30.09.2016 RM ' 000	Year to date 30.09.2016 RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	139	428
Other Income	-	72
Interest Expenses	(88)	(219)
Depreciation and amortisation	(93)	(335)
Net (provision) for doubtful debts	480	(135)
Net (provision) /recovery for inventories	27	151
Gain on disposal of Investment in Subsidiaries	-	831
Foreign exchange (loss)	-	59

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.